App. F. IX-4

1928.

File No. 57-28

Previous References (Law.)

Serial Nos. 184.

Later References

General and Revenue Secretariat.

Serial Nos. Nil.

Part B for December 1928

SUBJECT

Licensing of the Scheme of premium bonds proposed by the Karnataka Commercial Bank Ltd., Mysore

S14)

re Mysore Karnataka Commercial Bank Ltd., Mysore

V.O.P. 2191 8/4/11/28.

Informs that the permission applied for cannot be given.

GENERAL AND REVENUE SECRETARIAT.

( )

NOTES.

File No. 51

FILE HEADING.

Licensing of the Scheme of Premium bonds proposed by the Karnataka Commercial Bank Ltd Mysore.

FROM

District Magistrate, Mysore.

No. GL.771/28 Dated 17.10.28 Received 25.10.28

Diary No.	1843.	Enclos.	Spare copies	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Forwards the appln of the Governor of the Bank praying for sanction of the scheme.

NOTES AND ORDERS.

The District Magistrate is of opinion that the Bank is not generally accepted as a stable concern in Mysore.

The distribution of prizes by drawings as said to be is similar to the one attempted by the Asiatic

General and Revenue Secretariat

~~C.D.~~ Land File No. 5/ 1843/D

app ... I-(2) f 1928

Serial No.

Government Security Life & Marriage Reversion Co: Ltd. The Development Branch may be kindly requested to put up the file relating to this, in which A.G. seems to have given his opinion as regards the legality or otherwise of such schemes.

Bng
25/10/28.

) The scheme proposed by the Bank is attractive. But the Bank, it is reported, has no reputation for stability and the scheme is such that it cannot be trusted to work unobjectionably unless the Govt allow the Capital which the Bank proposes to attract from investors to be deposited as desired on the Post Savings Bank, and thereby undertake to safeguard their interests. Whether Govt may associate themselves with a venture of this kind is the matter for consideration and not whether the scheme is a lottery. To all appearances it is not a lottery.

3rd Member and Gl. Secy) 7/4/28

) The Legal Remembrancer may be consulted in the matter in Latin

8/4/28

Gl. Secy) 9/4

H 1580 28/11/28

NOTE—Contn. sheet

WD 021—GPB—30,000—21-8-28

Serial No.

5) Please get the references marked at A from Devt Br[anch]

8-0 15/11

6) This may kindly be marked to the Develop[ment] Branch for putting up the references at A.

BDP 15/11 — 7) To the Dev[elopment] Br[anch] for favour of compliance. Amn 15/11

GEN. & REV. SECRETARIAT. 9 DE 10 NOV. 28 DEVELOPMENT BRANCH 3835

file sent to Dvt BDP 19.11.

8) File NO J. S. 2-28-8s 1-3 may be kindly obtained from the General Records.

CBR 16/11. SSR 16/11 Prop[osn]. Br. with compl[iance]

12 Letter Ref No 497 dated 25th Nov[embe]r 1928 from the Karnataka Co[-]op[erative] Bank Ltd[?] Bangalore - praying for sanction to the Scheme of Premium Fixed Dep[osi]t. Receipts.

The main features of this Scheme is to issue 2 million Fixed deposit receipts of the total value of 1 Crore of Rupees & deposit the whole amt in Govt Savings Bank at 5% - out of the interest, the depositors are paid 2½% interest and 1·4% of the deposits are set apart for prizes to be distributed to depositors at a drawing to be held each month. The period of F.D. is 40 years when the deposits will be duly returned -

General and Revenue Secretariat | Land File No. 57 of 1928.

Serial No.

The Scheme can be successful only if a large number of people take the Premium Deposits. The Depositor forefeits 2½% of annual interest that he would otherwise get in the Post Savings Bank, in lieu of the chance of winning certain prizes. Since however every depositor gets back the amount he invests, this cannot be termed a lottery, in which case no license would be necessary. The only question would be whether Govt may Associate themselves with this venture, by allowing the whole capital of the £ to be invested by the Post Savings Bank & having general control over the Scheme as proposed in the prospectus. The D.M. Mysore says that the Bank is "not generally accepted as a stable Concern in Mysore City".

Govt
29.11.28
John 29/11

L.R.) 29/11

1) The Scheme is similar to the one prevailing in France & other Continental Countries who issue premium bonds & raise money to meet the administration instead of a loan

2) This System was proposed in England during the time of great war in 1914, but it was considered unsuited to the people of Great Britain. Hence it was dropped

3) The whole is element of Chance & Contrary it is lottery. The permission

Note—Continue on sheet

AMD 021—GPB—30,000—21-8-28

522
4/12
DEPARTMENT OF COMMERCE
5 DEC. 1928
No. 3434
1861
8-12-28
14/12/28
D.D
agree Permission can be given. The Govt with this condition may issue the Order
Papers 4/12 29.12.28

2575 2292

App. F. III—2]

General and Revenue Secretariat. Land File No. 87 of 1928.

Serial No.	
	15) Dft. m 6/12
	Land 6/12) Draft put up mp 7/12 m 7/12
	3rd Number m 8/12
	6177 8/12
	17) Impressed Members kkn 8.12.28
	18) Issue the Dft. m 8/12
3	To, The Dt Magistrate P 3137(3) Land 1/28 dated 6/12/28 intimating that permission asked for by the Board cannot be given —
	from the Governor of the Karnataka Govt Board No 504 dated 8/12/28
	Asst says "order"
	19) "Please put up a draft endorsement in accordance with orders already passed".
	Draft put up mp 12/12 Hegy) m 12/12
	20) appd 8-8 m/12
	21) Issue m/12/12

WD 01714—GPE—30,000—18-4-28

Serial No.	
4	To the Governor, Karnataka Court Bank Ltd, Mysore No P 31918 dt 14-12-28. I am directed to inform you that the permission applied for cannot be given.

B
MM
15/12/28

NOTE—Contn. sheet

WD 021—GPB—30,000—21-8-28

1045
D

No. Gl. 771-28. Rec'd

Office of the District Magistrate
Mysore District.

Dated Mysore, 17th October 1928.

From

A.V. Ramanathan, Esq., B.A.,
District Magistrate, Mysore District.

To

B. Nagappa, Esq., Bar-at-Law.,
Secretary to the Government of Mysore,
Law Department, B a n g a l o r e .

Sir,

Premium Bonds - issue - Karnataka Commercial Bank Ltd., Mysore.

I have the honour to forward in original letter No. 481 dated 20th September 1928 from the Governor of the Bank requesting sanction of Government for the issue of a modified form of Premium Bonds issued by some European local bodies and Governments and distribution of prizes monthly by drawings held every month and to state as follows:-

The issuing Bankers is a Joint Stock Company registered in Mysore but the Bank is not generally accepted as a stable concern in Mysore City.

The distribution of prizes by drawings proposed is said to be after the model adopted by the Asiatic Government Security Life and Marriage Assurance Co., Ltd., whose head office is at Bangalore and I understand the practice is in existence in France for the last 50 years.

If the Government consider that the system of Premium Bonds may be encouraged in the State, the present Scheme may be licensed and authorised as all the proceeds of the deposits are agreed to be invested in the Mysore Government Savings Bank.

I have the honour to be,
Sir,
Your most obedient servant,

District Magistrate,
Mysore District.

The Karnataka Commercial Bank, Ltd.

4272 p 328 (8

Ref No: 497

Encl: Nil

Head Office
2915, Railway Station Road
Mysore.
25 - 11 - 28

CHIEF SECRETARY 27 NOV. 1928

To
The Chief Secretary,
To The Government of Mysore
Bangalore.

Sir

WITH REFERENCE TO THE ISSUE OF PREMIUM-FIXED-DEPOSIT RECEIPTS BY THE ABOVE BANK AT MYSORE, AND THE DESTRIBUTION OF PRIZES (BONUS) IN CONNECTION THERE-WITH.

I have the honour to bring before your kind notice the fact that a complete draft prospectus of the issue of "The Premium-Fixed Deposit Receipts" was prepared and forwarded from this office to the District Magistrate Mysore for Government Sanction and approval.

I have been informed by the District Magistrate as per his letter No 9477 of 15-11-28 that This Office Application No 481 dated 20-9-28 has been forwarded for Government approval and sanction to you.

The scheme is ment to place a large sum of Rs 1,00,00,000. at the disposal of the Government @ 5% interest for a period of 40 years and the same scheme is also meant to afford the Public with a novel and safe investment scheme of Insurance and Deposit principles combined into one.

As it is needless to state that the reviving of the presteige of the fallen reputation of the Joint-Stock Companies in general in Mysore, is not an easy task I beg to state that a timely Co-operation of the Government with our Bank in the matter of sanctioning the Scheme above refered to, and also deputing a Government Agent at the cost of the Bank so that the public may have confidence in this Institution which has the great Object of Agricultural and Commercial Development) will be an act of supporting the the very foundations of the Co-operative movement at a very critical moment in the history of Joint - stock Companies in Mysore.

Hoping to receive your esteemed sanction and instructions at an early date

I have the honour to be
Sir,
your most obedient servant.

For THE KARNATAKA COMMERCIAL BANK, LTD., MYSORE.

Governor.

Appendix F G--1

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section Income

File No. S-1-28

Serial No. 3

No. F 3137 (3)

General and Revenue Secretariat

( )

the 192

To

The District Magistrate

Mysore.

Date of issue 10/12/28

Signed by

Sir,

With reference to your letter No. GL. 771-28 dated 17th October 1928 regarding the Scheme of Premium ~~Bonds~~ Fixed Deposit Receipts proposed ~~to be issued~~ by the Karnataka Commercial Bank Ltd Mysore, I am directed to state that the applied for permission to work the Scheme cannot be given and that the Bank may be informed accordingly.

2. The enclosures to your letter are returned herewith.

over I have the

st of enclosures.....

Copied by.....

Examined by.....

WD 0399—GPB—20,000—18-9-28

Secy to Govt

THE KARNATAKA COMMERCIAL BANK, LTD.

2515 p 828

Ref No. 504.

Encls. nil

Head Office
2915, Railway Station Rd.
Mysore.

Date:- 8-12-1928.

CHIEF SECRETARY
10 DEC. 1928

To
The Chief Secretary,
To The Government of
His Highness The Maharaja of Mysore
Bangalore.

Sir,

RE: THE ISSUE OF PREMIUM FIXED-DEPOSIT-RECEIPTS.

I had the honour to inform you that this office application No. 481 & 482 dated 20-9-28,(praying for Government sanction to the issue of premium fixed-deposit-receipts through this Bank) has been forwarded to you through the District Magistrate, through this office letter No 497 of 25-11-28, addressed to you.

By the end of this month it will be a quarter a year and more since the application was made to the Government; and at a time when the times are very trying for the rising Joint-stock Companies even a month's time will be an immense period. Therefore I beg of you in the interests of Co-operative Public Enterprise of Mysore to kindly expedite the disposal of the Application above reffered.

In the meanwhile I would feel greatly honoured to receive a reply from you as to what has been done or as to what is likely to be done in the matter of this office applications Nos 481 & 482 of 20-9-28, above reffered to.

I have the honour to be
Sir,
your most obedient servant

For THE KARNATAKA COMMERCIAL BANK, LTD., MYSORE.

K. M. V. Pillay
Governor.

8 DEC 1928

Appendix F G—1

SUBJECT.....

.....

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Section Loans

File No. 5-1-28

Serial No. 14

No. 6349/

Endorsement

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

To

The Governor

Karnataka Commercial Bank Ltd, 2915 Ry St^r Rd, Mysore

Date of issue 14/12/28

Signed by

With reference to his application Nos 481 and 482 dated 20th Sept^r 1928, addressed to the District Magistrate, Mysore, praying for Government sanction to the ~~local~~ proposed ~~of a~~ scheme of Premium Fixed Deposit Receipts, the Bank, K.C. Bank Ltd, Mysore ~~is hereby~~ informed that the permission applied for cannot be given.

List of enclosures.....

Copied by.....

Examined by.....

for Secy to Govt

over Law Dept

12/12

WD 0399—GPB—20,000—18-9-28

Bangalore
6-10-28.

From, The Public Prosecutor,
Bangalore Division

To,

B. Nagappa Esqr., Bar-at-Law,
Legal Remembrancer & Secy, Law Dept.

Sir, I have the honour to submit the following facts & to seek instructions.

The Hon'ble the Chief Court has been pleased to order a copy of the deposition of Khan Bahadur Abbas Khan before the Additional District Magistrate to be given to the a.

accused in the Secrecy Case
his, in my opinion, places
very many difficulties in
the way of the Case. As I
had anticipated things
have come to pass.
Khan Bahadur Abbas Khan
was examined, as I have
already reported to you,
as a result of the directions
of the District Magistrate.
Now by virtue of the order
of the Chief Court Mr. Abbas
Khan will be recalled,
cross examined at great length
as regards the alleged
conspiracy or Sedition.
Many complications will
arise, I am afraid, in the
case if this is allowed.
Under these circumstances
I beg to state that I
intend pressing for an order
on my statement viz "Con-
spiracy or Sedition does
not form part of the Secret
-ary proceedings & that
evidence of Mr. Abbas Khan
on this point may be ig-
nored".
If the order is unfavour-
able I intend moving
the Hon'ble the Chief Court

to expunge the evidence of Mr. Abbas Khan on this point under S. 561A. Cr. P. Code so that we may avoid further difficulties & complications in the case.

I solicit immediate orders.

I have the honour
to be Sir,
Your most obedient Servant
B. N. Vidyadhar Dev,
Public Prosecutor

THE PALACE

MYSORE

15th January 1929

My dear Mirza,

I am directed to return with thanks the file of papers forwarded under cover of your d.o.letter No. 2960 of the 12th instant.

Yours sincerely,